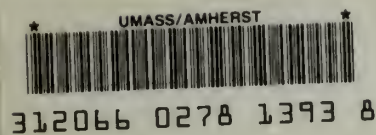


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Access to Capital and Technical Assistance

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This paper summarizes the proceedings of a conference of the same name, co-sponsored by the Massachusetts Executive Office of Economic Affairs and the University of Massachusetts, that occurred on July 28, 1992, at the University of Massachusetts, Dartmouth.

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Access to Capital and Technical Assistance
Richard J. Ward*

Introduction

In the face of poorly performing national and state economies business access to capital and technical assistance is a critical area of concern. The number of bank failures in recent years and overall vulnerability of the banking system in many states, exacerbated by the sharp drop in value of the extensive real estate assets held by banks, combined with the aftermath of the national savings and loan crisis, forced banks to tighten credit, call loans and reject potentially credit worthy business loans. The result was the so called "capital crunch"(1). In the case of Massachusetts, the President of the Boston based Federal Reserve Bank, along with many CEO's of Massachusetts banks, also blame Congress which pressed regulatory agencies (Comptroller of the Currency, Federal Deposit Insurance Corporation and the Federal Reserve System)- -hence bank regulators -to pursue the practice of forcing all New England banks to cut back on loans to creditworthy borrowers.

Despite these official acknowledgements of the squeeze on loanable funds available to business, some bank CEO's, while sharply criticizing the role of insensitive and rigid out of state regulators in stiffening loan/asset ratios and collateral requirements, still maintain

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that their institutions have adequate liquidity (low loan/asset ratios), but that in fact the real problem is one of severely limited volume of financially viable loan projects from the private sector.

In this context, the Commonwealth's Office of Economic Affairs, in cooperation with the University of Massachusetts, sponsored regional conferences to engage representatives of local, regional and state agencies and the private sector financial, industrial/commercial leaders, investors and marketing specialists in the issue of how the state government could actively promote economic development.

The conclusions and recommendations derived from several topical conferences around the state provided inputs to the state's strategic economic development plan for the future. The focus of concern for the business community, and in terms of the economic progress for the state as a whole, was primarily on what role state agencies or public purpose institutions generally might play in stimulating the state economy, and in the case of one specific conference, in filling the gaps in access to capital and technical assistance for the state's business community. This assessment summarizes the views of the business and political representatives with respect to the difficulties they perceive in accessing capital and technical assistance, recommendations as to the role of the state and its agencies in improving access and, finally, address conclusions as to the role of the state in promoting an economic climate in which both financial institutions and private sector entrepreneurs can operate more profitably and comfortably with each other.

Critique of the Current Development Environment

The Massachusetts business community, and in particular small business entrepreneurs, venture capitalists and potential business and financial investors in new or expanding enterprise have been highly critical of various banking practices. They have alleged that banking practices of late have contributed to the following perceptions:

- The role of regulators in clamping down on the banks "after the horse got out of the barn" has been negative. The banks could least afford the stringent requirements during recession, regarding what they were allowed to accept as collateral. Local bankers knew the character and expertise of their clients and should have been allowed to make their own judgments as to the creditworthiness of those clients. A period of house cleaning has dominated the financial institutions and internal problems, reorganizations and personnel shifts put a halt to most small business lending.

- During recession banks lost their appetite for tax exempts, found public fund deposits dried up and feared loaning to business. They called in good loans to meet new loan/asset standards, even rejecting sound collateral and good risks. In a number of instances, regulators downgraded or rejected firm receivables, land and other loan collateral, placing constraints on business opportunity and growth.

THEORY OF THE EARTH AND ITS HISTORY

The theory of the earth and its history is a branch of geology which deals with the origin and development of the earth and its various parts. It is a science which seeks to explain the processes which have shaped the earth and its features, and to determine the time and sequence of these processes. The theory of the earth and its history is based on the study of the earth's rocks and fossils, and on the principles of geology.

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-The need for working capital is the most critical need for small business. Even as owners have sold their homes to provide such capital, participants felt that banks have not been forthcoming. Lack of such capital forces smaller companies to reject profitable bids on projects- turn away business. This is perceived to show a lack of creativity and of commitment to the business environment on the part of bankers.

-Large banks in particular have turned away from smaller, more costly loans. There is a need for loans from \$10,000 to \$50,000 or even \$150,000, but the large banks shun these smaller loans, as "not worth their time and expense". The minimum loans banks now prefer is \$250,000, but loans over a \$1,000,000 are preferred and sought after; that is the lament from small business people whose capital needs are less.

-The desperation for smaller business borrowers has been heightened by the decline in the value, hence equity in their own homes, as well as decline in other sources of public or private venture capital. In this climate, small business owners have been burdened with high cost, "loan shark" credit, or have been rescued by prominent and sympathetic local businessmen, who provided credit from their own company resources on concessionary terms. Banks need more flexibility in the requirements they set for small business, need to provide more asset based lending, accept receivables as well as the reputation and known character of borrowers against good risk loans.



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-Banks have failed to provide technical assistance services in preparing loan applications or toward improving business plans and financial statements. There is a lack of outreach and guidance in their approach to loaning to small entrepreneurs. More mentoring and follow up with business borrowers is needed, more visiting places of business and acting as genuine partners in promoting the success of their borrowers.

-Technical assistance may well be widely available through incubators, small business development centers or other public agencies, but it is not readily transmitted to those who need it. The many state quasi-publics and local Community Development Corporations (CDC's) and municipal or other community development agencies may be there, but small business owners seeking that help find it difficult to connect with that technical assistance in a meaningful and cost effective way. Often, small operations will go bankrupt for lack of the know-how on rescuing their companies, or see their product or marketing ideas die for want of knowledge about how to access the expertise.

-Some entrepreneurs will acknowledge that capital can be acquired, but stress the time consuming tenacity it takes, in the non-promotional or non-forthcoming climate in the financial community, for small business owners to get the capital they need.

-Banker participants declared their commitment to the lending

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process, stressed the constraints under which they have recently been operating, but also pointed to the lack of professionalism in loan applications, business plans, balance sheets and, sometimes, expertise of prospective borrowers. It is not cost effective for them to provide all the technical help that business borrowers need, suggesting that such assistance must come from other, probably public sources. Others suggested more mentoring be provided, not only from banks, but from mature companies (to their smaller suppliers, for example) and from numerous public and quasi public institutions at the municipal, regional and state levels.

- Venture capitalists are critical of the withdrawal of banks from cooperating with them in filling the gaps between the equity capital they provide and the full financial needs of new, promising ventures. A recent survey reported that out of 848 banks surveyed only six reported any interest in lending to high technology firms (2). This inhibits the role of venture capitalists.

The Role of the State in Promoting Development and Capital

Direct Role

-State governments must realize that when returns on capital are low in their states relative to alternative returns for banks and venture capitalists, capital will seek higher returns in out of state investment. States should assist in offsetting this differential by filling the gap in making available to business-and small business in

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particular- through a variety of public and quasi public institutions, as well as through banks, more liberal access to working and equity capital. However possible, the state should galvanize the numerous public and quasi-public organizations to facilitate loans and technical assistance to business. For example, Massachusetts, like most states, has a long list of quasi-public institutions which provide developmental assistance (3).

-States should be more forthcoming in enabling vast pension fund sources to be made available for venture capital, through its quasi-public agencies, and in partnership with existing private venture capital firms. Appropriate guarantees must be offered to protect pensioners. For example, a recently announced (by the Treasurer of Massachusetts) Commonwealth program will utilize such funds for affordable housing for low and moderate income families. A small percentage of state pension funds could pump \$200 million into assisting expansion and new ventures in business. The States of Michigan and Pennsylvania might be examined as models. Michigan allocated 5% of its \$6 billion public pension fund in partnership with private venture capital firms. The Michigan Treasury Department identified potential start up companies with promise and committed \$300 million to venture seed capital toward assisting the development of new companies. Similarly, the Ben Franklin Partnership Fund of Pennsylvania provides Challenge Grants or seed money (\$5,000 to \$100,000) for research and development, advanced technology and start up companies, grants (up to \$35,000) to small companies for new product or process development and seed venture capital funds

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for working capital and technical assistance for incubator companies(4).

-States could channel some of these funds through the quasis to local banks, incubators or Community Economic Development offices to enable these outlets to provide capital and technical assistance to small businesses in their areas. Such funds could also be used to buttress (ensure) collateral support for small business loans, for example guarantees against firm receivables, through local banks.

- State agencies or quasis should be prime facilitators in providing technical assistance support at the local levels, through local incubators, assisted by Small Business Administration bodies, since banks seem to be unable to assist in loan or business plan preparations, or in identifying gaps in small business expertise needed to render business viable.

- Provide grace periods on Capital gains taxes during startup of small businesses, and other forms of tax relief during development stages, such as relief on workmen's compensation, unemployment insurance, medical costs- other costs of doing business, where state safe and sound criteria can be met.

-Compare Commonwealth tax exempt bond programs with those of other states for effectiveness and improvement. For example, New Jersey has a tax exempt bond program (Private Activity Bonds) providing low interest loans up to \$10 million for manufacturers and

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non-profits- for funding fixed assets, working capital and loan guarantees of conventional loans up to \$1.5 million. New Jersey also provides working capital loans- a revolving line of credit of up to \$250,000 per export contract -to promote export marketing.

-States can affect reduction in long delays in handling business loan or other assistance proposals, as well as in payment of its own bills to small businesses. Actions through some state agencies and quasis can allegedly take months- far too long to accommodate short time lines and working capital constraints of small business owners.

- Provide more protection for providers of capital, to guarantee safe exit of investors from their commitments with close to expected returns. Streamline approvals and turn more empathetic system toward the service of suppliers of capital. Current regulations inhibit safe return to local venture capital funds, partly due to drain of local funds to capital cities and even out of state banking institutions. Remote transaction modes put local venture capitalist in vulnerable position.

-Link tax(reduce bank tax to corporate rate) or other relief measures for banks to increase loanable funds and establish a guarantor program for small business or sound start ups (don't expect banks to provide equity; they are money lenders).

- More forceful use of link deposits (State bank deposits) to encourage banks holding such deposits to loan for developmental

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purposes. States could set up some performance measures by which to judge the status of particular banks with respect to the development impact of bank activity. For example, the state of Illinois through its link deposits encourages minority business loans; California presses energy conservation loans; Ohio links their public deposits to more forthcoming loans to small business.

A persistent and pervasive need as indicated by conference participants in Massachusetts was for simplification and localization of all state and federal services. Small business owners, in particular, direct their strongest criticism to the absence of "one stop shopping" at the local level for their capital and technical services needs. The services of state agencies and quasis, as well as loan services tend to be Boston based and so diversified as to confound their efforts to gain sympathetic support for their proposals, projects, capital and technical assistance. There is a critical need for the state to move its agency and quasi representatives out to the local communities, through local bodies such as Small Business Development Centers and other community development organizations or local banks, so that business professionals can gain the information they need locally and from one source.

Indirect Role of States

-Assist banks to localize regulatory function of federal agencies; it has not helped local banks to have inexperienced and insensitive) regulators and examiners reviewing their portfolios and

bank practices. Massachusetts banks were reviewed by regulators from Iowa! By local, in this case, is not meant from Boston, but by agents closer to the regions, who understand the areas' special needs, business and banking practices, and who will grant local CEO's more discretionary management of their credit systems.

-The cost of doing business in Massachusetts remains unfavorable in the eyes of business; the state could continue to press through legislative action or moral suasion measures which will reduce costs -i.e. workmen's compensation, insurance costs, utility, energy costs, disincentive taxes, while providing tax relief or incentives for investment to produce real growth in economic base of the state.

-Urge banking system to be more aggressive in carrying out Community Reinvestment Act (CRA), as applied to business. Many banks still hold back. Federal funds can help. For example, HUD Community Development Block Grants (CDBG) are being used by cities to complement and stimulate bank loans to small businesses in economically depressed areas. This includes technical assistance subsidies, direct loans and loan guarantees. Matching funds from banks are being used for micro-enterprise loan pools, managed by Community Development Corporations. HUD also provides through private contractors training, technical assistance and business development activities, with a goal of requiring bank involvement. (5). New federally urged Geo-coding of small business lending is there to assist the process (6).

In a recent review of 10 banks in Southeastern Massachusetts, for example, examiners rated three as "Outstanding" and 7 as "Satisfactory". (Reported at length in a regional paper, The New Bedford Standard Times, July 26, 1992). However, not all area business community personnel would agree with all of these ratings. The state has an economic (and political) stake in the rating of these performances and should play a pro-active role in mobilizing bank activity under the CRA rules in local banks around the state.

- Tax increment financing (TIF) is proposed by some Massachusetts industry groups as a means of bringing private sector needs and the need for more jobs and taxes together through public-private partnerships. TIF permits the amortization of revenue bonds issued by the municipality to fund development paid for from taxes generated from the project. Already 41 states have this legislation, but not Massachusetts(6).

- State agencies could more aggressively assist local institutions and businesses with knowledge and technical assistance in obtaining federal grants, loans and assistance. Many federal agencies seek Requests for Proposals (RFP's) from small businesses, who lack the knowledge of these sources and know-how to apply for federal resources. This knowlege, too, needs to be provided at the local level, not in Boston. Area universities and University-based partnerships with local or area Chambers of Commerce, city administrators (such as the Southeastern Massachusetts partnership,

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located at the University of Massachusetts Dartmouth), as well as other local state or quasi public organizations could assist in providing this type of technical assistance.

-An example of federal, state and private sector cooperative efforts at development is the New York/New Jersey Regional Alliance for Small Businesses. This combines technical assistance inputs from senior officers of private sector firms with direct loans and loan guarantees from government sources to complement and encourage loans (debt) provided by cooperating banks. Cities help by pledging funds from Community Block grants (CDBG) from HUD (7).

- Bank Commissioner's office should seek approval of a regional clearing house for handling business loans. Local bank CEO's favor this more localized attention to the business borrowers in their respective localities.

- A real investment by the state in Technical Assistance on a local basis has been urged. A coordinated localized information source is needed where business concerns may link up through state-wide and national electronic networks to all sources of capital, technical assistance, whether at State or federal level, and personnel managing such service (perhaps from a state agency or quasi-public) who can translate questions into meaningful lines of inquiry to the appropriate source of capital or technical assistance. Local business owners, personnel, seekers of start-up or any other type information are thoroughly overwhelmed by a long list of acronymic references to

organizations that might provide the assistance they need.

-Some of this technical assistance could be vigorously directed at assisting companies in implementing total quality management principles and practices, which revolutionized Japanese production and is increasingly applied in successful companies in the United States. These practices would improve the productivity of Massachusetts companies- or companies in any state- and thereby their competitiveness.

-This service should be customer based, advocative and educational. Some local office or individual should be available (perhaps in a local Small Business Development office or college or university based development center)) to provide this information and link ups to alternative regional, state or national sources. Technical Assistance should be facilitated for all facets of business planning, especially for start ups and small businesses: business plan drafting, debt restructuring, market analysis, financial reporting, inventory control, receivables financing, advertising, promotion of products, government grantmanship, human resource management, franchising, accounting, bonding assistance, export marketing, legal advice and special expertise needs. It was anecdotically said that localized services are already readily available for welfare recipients; why not for business.

- Catalyze private sector suppliers, especially those in economically depressed regions by providing incentives for business

to supply infrastructure needs, like parking garages, industrial park construction, public works commitments on buildings, roads, other infrastructure, as well as provision of office materials and supplies for public offices and functions. The state voucher system could be expanded to channel this type of business to depressed area suppliers. For example, to the extent feasible, the highly Boston-concentrated state bodies could direct more of their supply orders to firms in other economically depressed localities in Massachusetts. Combining this with more mentoring by large corporations with their small suppliers when they are in distress could sustain many companies during periods of deep recession.

- Reach out to county, municipal and local governmental bodies to help remedy and reduce costs of complying with regulations, codes, zoning factors, permit systems, fees, licensing requirements and other obstacles that inhibit doing business in their respective areas.

- A more significant commitment to higher education in the state, which ranks among the lowest in the country now in support of its public system. The quality of the workforce, skills needed and research results available for business development is directly affected by the quality of the graduates of the public system. This quality has been deteriorating in recent years and state support is critical to turning this around. In addition to general support for quality faculty, services and research efforts, the state could initiate industry-oriented industrial parks, incubator-type facilities, health

service and health research projects or centers on or near university campuses. A number of campuses have extensive unutilized acres for these purposes. Some university locations could also service as the "One Stop Coordination" centers for area or regional businesses, under the aegis of the State Offices of Economic Development. There are many models or prototypes at universities around the country that could provide the information leading to such mutually beneficial activity between the needs of business and the research potentials of higher education. The Research Triangle near the University of North Carolina, the industrial park at Syracuse University and many others could be replicated in many states.

- Once this positive business environment has been put in place, with the help of the state, based on a pro-economic development structure of taxation, state and local agency and quasi-publics support of business, there could follow an active effort to disseminated that positive image far and wide as to why companies should locate in a particular state. Until the positive business climate measures are put in place, however, that invitation will not be very persuasive.

States should avoid duplication of agencies and personnel. It was perceived in Massachusetts that no new agencies or bureaucratic infrastructure is needed to carry out the above improvements in the business environment, but rather to utilize existing institutions. In a sense, the current system of service to business is both distant and choked up- likened to the man in the hospital bed, gasping for breath,

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trying to speak , his eyes widened. His visitor leans over to listen better, only to hear a barely audible whisper, "You're standing on the oxygen hose!"

- The Economic plan for the state should project into a strategy for implementaton at the regional and local level, by empowering local institutions and especially local community leaders and people at that level, not as directives from the state. The state should steer but not row the boat. A State Plan without a localized implementation strategy is guaranteed to be a failed plan. Models for such implementation abound in states around the country. Pennsylvania, Michigan, New Jersey, Minnesota, North Carolina and others provide examples of successful implementation and empowerment of the private sector through state guidance(8). A microcosmic model for such empowerment is the city of Baltimore's "Life Sciences Vision" which mobilized the resources of the business community-developers, bankers, business leaders and other interest groups to produce a highly successful business climate(9).

It is the localized focus and convenient availability and implementation of these technical assistance measures, services and information (hand holding, if you will), and its link to more empathetic sources of capital that the business community sees and feels acutely is part of the cure for this problem.

Obligations and Impacts of State Role

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Some private sector leaders are concerned about the degree of involvement by state government in directly impacting private sector business or investment decisions. Should the public sector be investing tax dollars to support private business? What effect do state decisions have on assistance to the private business sector? Do they provide unfair competitive advantage to some, denying it to others? Does the state have the mandate to take risks that are supposed to be essentially private sector risks? Technical assistance to private sector business is to tax payers a hidden cost of doing business. Are they obligated to pay these costs when such public subsidies seem to help certain eligible firms and not others?

The answers provided to these questions by most business people is that the state owes services to business for taxes paid by business. While the state is precluded by its constitution from investing directly in private investment, it can and should stimulate aggressively private sector investment through the medium of state agencies and quasi-public institutions.

Moreover, the state must recognize the economic, social and political costs of not assisting private businesses, which generate the tax revenues to support myriad other necessary services, as well the public infrastructure needed to support society. The following statement concerning the state's role in acting to promote economic growth provided at the conference aptly summarizes the views of many:

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"State government can be the major force that determines whether this growth is retarded or accelerated. The most effective way to accelerate the creation of jobs by the private sector is for the state government to provide laws, infra-structure and incentives and to assist in the financing to aid that growth. State policies which facilitate and stimulate technology transfer from our world-class universities and commercialization by our businesses will absolutely foster industrial growth and jobs creation."(10)

State Role in Recession, Low Confidence Environment

The greatest constraint and inhibition on private investment and economic growth has been the recession and the general deficiency in overall spending and demand for durables, non-durable products and services. Repeated reductions in the interest rate by the Federal Reserve have not turned pessimism into optimism as far as consumers are concerned. Some bankers have detected positive signs in improvement of loan applications and the business climate. The Bank of Boston's \$3 billion special loan fund for business reported receiving 3,000 loan applications from businesses, while some non-financially troubled local banks claim to have plenty of liquidity for loaning and are seeing better business loan prospects coming through their doors.

Many states are still a long way from being out of the recession, and nationally the Consumer Confidence Index has recently dipped again to 61% (based on 1985=100), reflecting the uncertainty and even fear

that pervades the general public about the direction of the economy and the security of their jobs(11).

This makes it difficult for business investors, banks and other suppliers of capital to feel comfortable with the risk environment that prevails. If people are not buying, it is difficult to launch and promote incentives to invest which are inevitably tied to forecasts of sales of final product. Entrepreneurs do not want to borrow and bankers resist lending even at what seem highly favorable costs of capital if the expectation of survival, let alone profit, is in question.

Neither the federal nor state governments can ignore the insufficiency of demand (i.e.markets) as a significant source of the enduring recession and drag on prospects for private sector investment. With close to 10 million unemployed in the nation and continuing job losses in Massachusetts, state government may have to focus on measures to stimulate demand before incentives for stimulating investment (hence supply of goods and services) will become more effective.

Pertinent to the themes raised in the conference, recently 100 leading economists, including six Nobel Laureates urged the federal government to spend \$50 billion a year on investment. This proposal has been strongly supported by leading business CEO's around the country. The President and CEO of Sematech, Inc., a semi-conductor organization,urges the federal government to invest in technology, research and start up prospects; the President of Teneco, Inc., urges

federal use of the peace dividend (from defense savings) to invest in infrastructure- airports, bridges, rail networks, education, training for skilled jobs and investment in new fields of technology that promise the greatest growth; the CEO of Thermo Electron Corporation urges government to recognize the value to the private sector of the investments the government made in the aerospace and defense industries-which paid great dividends in the fields of computers, energy, commercial aviation and the environment- and to switch these funds to investing in new channels of private sector research and technology development; prominent economists urged utilization of the idle capacity of the many technology firms during recession to carry out federally funded research (formerly carried out by defense industries) for future growth (12).

The state role in raising consumer confidence and spending (hence demand) may also have to include more direct measures by the state to invest in: 1. Seeking out every possible source of federal assistance applied to on going state programs in housing, enterprise zones, defense niches, HUD programs available to states, highway funds, construction of Federal buildings or facilities, Harbor development. For example, speeding up already approved federal spending on the Boston Harbor project, the new Federal Courthouse in Boston, federally funded highway construction or improvements, the partially federally funded research oriented laboratories at our state universities, the numerous federally funded training programs, some already approved for Massachusetts, others needing to be sought after. The State's Congressional delegation could be more strongly

pressed to identify all federal sources of funding for state programs and activities. Our delegation is often preoccupied with issues which, while important in themselves, seem to have little to do with promoting the economy of their home state. 2. Additionally, the state government could be more aggressive in committing funds to desperately needed infrastructural improvements of roads, bridges, transportation, health and other sector improvements that can be done now at lower costs than will be the case when the economy (and prices) recover. For example, last year the state of Massachusetts made use of \$1 billion federal highway and construction funds and expects to use about \$700,000 million in federal aid for the current federal fiscal year, much of it for a new road and tunnel complex through Boston. The state government plans to use \$110 million from the 1992 fiscal year surplus to accelerate spending on road and bridge repair projects. More of this type of direct job and demand stimulation is necessary and should have been aggressively implemented at least a year ago. State economic plans should not hesitate to recognize the inadequacy of monetary policy alone to resolve the staggering economic performance that has plagued the recovery in many states, and, alas, in the country at large.

All of these endeavors are needed; they are not and should not be simply makework. They represent refurbishing the seriously deteriorated infrastructure of facilities and services in the state which, when in place, contribute to the more cost effective functioning of the private sector.

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More directly to the issue of access to capital and technical assistance, these commitments of federal and state funds will provide jobs, revive spending on goods and services, generate taxable income to the benefit of the state budget, and by raising confidence, spur both private investors and banks to cooperate in a climate of better prospects for returns on investment for both borrower and lender.

If the economy of the state continues to bump along far below levels expected by the public, by bankers and by private investors, the access to capital and technical assistance issue may be moot.

Footnotes

1. Peek, Joe & Rosengren, "The Capital Crunch in New England," New England Economic Review, May/June, 1992.
2. Technologic Partners, ComputerLetter, March 23, 1992, p. 1. The National Venture Capital Association reports that the 401 companies in their data base created 58,000 skilled jobs in the U.S. between 1985 and 1990, which required 30% less equity per job to create than positions in Fortune 500 companies . They also paid \$610 million in taxes. (Coopers & Lybrand, second Annual Impact of Venture Capital Study, "Executive Summary" -undated).
3. This is only a partial list of development oriented organizations in the state. Local business personnel are not familiar with all of them, nor with their specific functions and how they can help them. Local SBDC's (Small Business Development Centers), or regional bodies could provide this information. Descriptions and functions of these organizations can be found in Lynn Griesemer's, "A Legislative Guide to the Massachusetts Quasi-Public Corporations," Donahue Institute, Univ. of Massachusetts, Amherst, 1989.
4. From an excellent report, "Biotechnology Industry Needs in the 1990's", prepared by Forest City Development Inc., Cambridge, Mass, Jan. 1992, p. 30.
5. Groskind, Jerome & Marcus Weiss, "Regulators Turn Up the Heat on CRA Compliance", The Bankers Magazine, May/June, 1990. Also, Weiss, Groskind and Groskind, Community Reinvestment Act: How to Implement Your Bank's Program, Sheshunoff Information Services, Austin, Texas.
6. CRA Bulletin, July, 1992, Vol. 1, No. 10.
7. Forest City Development, Inc., Op. Cit., p. 25.
8. Cf. Osborne, David and Graeber, Reinventing Government, Addison, Wesley Publishing Co., 1992. Also other state experiences provided amply in previously referenced, Report on Biotechnology Industry

25.

Needs.

9. Plosila, Walter, President, Montgomery County (Maryland) High Technology Council , "Reconfiguring Economic Development in Massachusetts: Catching the Third Wave", Remarks made at Conference at University of Massachusetts Dartmouth, June 30, 1992.
10. Forest City Development, Inc., article on Biotechnology Industry Needs, Op. Cit., p. 16.
11. Source: Conference Board, New York, Fall, 1992.
12. New York Times, July 10, 1992.

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